

ROME TOWNSHIP
LENAWEE COUNTY
ANNUAL FINANCIAL REPORT
MARCH 31, 2004

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended.

Local Government Type <input type="checkbox"/> City <input checked="" type="checkbox"/> Township <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Government Name ROME TOWNSHIP	County LENAWEE
Audit Date 3/31/04	Opinion Date 10/16/04	Date Accountant Report Submitted to State: 11/9/04	

We have audited the financial statements of this local unit of government and rendered an opinion on financial statements prepared in accordance with the Statements of the Governmental Accounting Standards Board (GASB) and the *Uniform Reporting Format for Financial Statements for Counties and Local Units of Government in Michigan* by the Michigan Department of Treasury.

We affirm that:

1. We have complied with the *Bulletin for the Audits of Local Units of Government in Michigan* as revised.
2. We are certified public accountants registered to practice in Michigan.

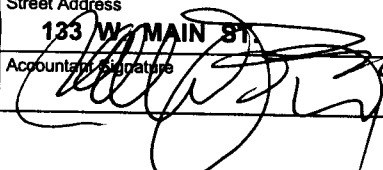
We further affirm the following. "Yes" responses have been disclosed in the financial statements, including the notes, or in the report of comments and recommendations

You must check the applicable box for each item below.

- | | |
|---|---|
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 1. Certain component units/funds/agencies of the local unit are excluded from the financial statements. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 2. There are accumulated deficits in one or more of this unit's unreserved fund balances/retained earnings (P.A. 275 of 1980). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 3. There are instances of non-compliance with the Uniform Accounting and Budgeting Act (P.A. 2 of 1968, as amended). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 4. The local unit has violated the conditions of either an order issued under the Municipal Finance Act or its requirements, or an order issued under the Emergency Municipal Loan Act. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 5. The local unit holds deposits/investments which do not comply with statutory requirements. (P.A. 20 of 1943, as amended [MCL 129.91], or P.A. 55 of 1982, as amended [MCL 38.1132]). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 6. The local unit has been delinquent in distributing tax revenues that were collected for another taxing unit. |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 7. The local unit has violated the Constitutional requirement (Article 9, Section 24) to fund current year earned pension benefits (normal costs) in the current year. If the plan is more than 100% funded and the overfunding credits are more than the normal cost requirement, no contributions are due (paid during the year). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 8. The local unit uses credit cards and has not adopted an applicable policy as required by P.A. 266 of 1995 (MCL 129.241). |
| <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No | 9. The local unit has not adopted an investment policy as required by P.A. 196 of 1997 (MCL 129.95). |

We have enclosed the following:

	Enclosed	To Be Forwarded	Not Required
The letter of comments and recommendations.	✓		
Reports on individual federal financial assistance programs (program audits).			✓
Single Audit Reports (ASLGU).			✓

Certified Public Accountant (Firm Name) PHILIP R. RUBLEY, CPA			
Street Address 133 W. MAIN ST.		City MORENCI	State MI
Accountant Signature 		ZIP 49256	Date 10/16/04

**ROME TOWNSHIP
Annual Financial Report
Year Ended March 31, 2004**

Table Of Contents

Introductory

Title Page
Table of Contents
Accountant's Report

Financial Section

Combined Balance Sheets - All Fund Types and Account Groups
Combined Statement of Revenue, Expenditures and Changes in
Fund Balances - All Governmental Fund Types
Combined Statement of Revenue, Expenditures and Changes in
Fund Balances - Budget (GAAP) and Actual General Fund
Combining Statement of Changes In Assets and Liabilities
- All Agency Funds

Exhibit
1

2

3

4

Notes To Financial Statements

Statements

Financial Statements To Individual Funds:

General Fund:

Statement of Revenues, Expenditures and Changes in Fund
Balance - Budget (GAAP Basis) and Actual
Statement of Expenditures Compared to Budget (GAAP Basis)

A-1

A-2

Trust and Agency Fund:

Balance Sheet

Statement of Revenues and Expenditures

**Statement of Changes in Assets and Liabilities -
Agency Funds**

B-1

B-2

B-3

General Fixed Assets Account Group:

Schedule of General Fixed

Schedule of Changes in General Fixed Assets

C-1

C-2

PHILIP R. RUBLEY

- Certified Public Accountant -

133 W. MAIN STREET • MORENCI, MI 49256

PHONE 517/458-2274

FAX 517/458-6353

PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'s
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

October 16, 2004

Board of Trustees Rome Township

Independent Auditor's Report

We have audited the accompanying general purpose financial statements of Rome Township, Lenawee County, Michigan, as of March 31, 2004 and for the year ended. These general purpose financial statements are the responsibility of Rome Township management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Rome Township, Lenawee County, Michigan, as of March 31, 2004, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying combining and individual fund financial statements and other financial information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of Rome Township. The information in these schedules has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Respectfully Submitted,


Philip R. Rubley, CPA

ROME TOWNSHIP
Combined Balance Sheet - All Fund Types
And Account Groups
Year Ended March 31, 2004

	<u>Governmental</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Types</u> <u>Current Tax</u> <u>Collection</u>
	<u>General</u>	
Assets:		
Cash in Bank	\$ 4,326	\$ 1,049
Investments	176,201	105,922
Taxes Receivable	8,815	---
Prepaid Insurance	3,588	---
Due from Current Tax Collection	106,971	---
Buildings	---	---
Furniture and Equipment	---	---
Total Assets	<u>\$299,901</u>	<u>\$106,971</u>
Liabilities:		
Due to General Fund	\$ ---	\$106,971
Deferred Revenue	189	---
Total Liabilities	<u>189</u>	<u>106,971</u>
Fund Equity:		
Investment in General Fixed Assets	---	---
Fund Balances Undesignated	<u>299,712</u>	<u>---</u>
Total Fund Equity	<u>299,712</u>	<u>---</u>
Total Liabilities and Fund Equity	<u>\$299,901</u>	<u>\$106,971</u>

See accompanying notes to financial statements.

Account Groups
General
Fixed Assets

Total
2004

\$ ---	\$ 5,375
---	282,123
---	8,815
---	3,588
---	106,971
38,350	38,350
<u>38,216</u>	<u>38,216</u>
<u>\$76,566</u>	<u>\$483,438</u>

\$ ---	\$106,971
<u>---</u>	<u>189</u>
<u>---</u>	<u>107,160</u>

76,566	76,566
<u>---</u>	<u>299,712</u>
<u>76,566</u>	<u>376,278</u>
<u>\$76,566</u>	<u>\$483,438</u>

ROME TOWNSHIP
Combined Statement Of Revenues, Expenditures And Changes In Fund Balances
All Governmental Fund Types
For The Fiscal Year Ended March 31, 2004

**Governmental
Fund Types**

General

Revenues:

Taxes	\$105,259
Intergovernmental Revenues	127,094
Charges for Services	8,981
Miscellaneous Revenues	14,281
Licenses & Permits	16,289
Interest Income	<u>5,502</u>

Total Revenues

277,406

Current Expenditures:

General Government	88,967
Building & Electrical Inspectors	13,266
Public Safety	38,206
Highways, Streets and Bridges	157,076
Drains	1,141
Planning Commission	7,603
Zoning and Planning	<u>4,504</u>

Total Expenditures

310,763

**Excess Revenues Over (Under)
Expenditures**

(33,357)

Fund Balances - April 1

333,069

Fund Balances - March 31

\$299,712

See accompanying notes to financial statements.

ROME TOWNSHIP
Statement Of Revenues, Expenditures And Changes In
Fund Balance-Budget (GAAP Basis) And Actual General Fund
Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$105,000	\$105,259	\$ 259
Intergovernmental	125,000	127,094	2,094
Charges for Services	8,000	8,981	981
Miscellaneous	10,000	14,281	4,281
Licenses and Permits	15,000	16,289	1,289
Interest Income	5,000	5,502	502
Total Revenues	<u>268,000</u>	<u>277,406</u>	<u>9,406</u>
Current Expenditures:			
General Government	95,749	88,967	6,782
Building & Electrical Inspectors	13,447	13,266	181
Public Safety	38,206	38,206	---
Highways, Streets and Bridges	160,000	157,076	2,924
Drains	1,500	1,141	359
Planning Commission	7,603	7,603	---
Zoning and Planning	4,522	4,504	18
Total Current Expenditures	<u>321,027</u>	<u>310,763</u>	<u>10,264</u>
Excess Of Revenues Over (Under) Expenditures	(53,027)	(33,357)	19,670
Fund Balances - April 1	<u>333,069</u>	<u>333,069</u>	<u>---</u>
Fund Balances - March 31	<u>\$280,042</u>	<u>\$299,712</u>	<u>\$19,670</u>

See accompanying notes to financial statements.

ROME TOWNSHIP
Combined Statement Of Revenues, Expenses And
Changes In Fund Balances-Trust Funds
Year Ended March 31, 2004

	Balance April 1, 2003	<u>Current Tax Collection Fund</u>		Balance March 31, 2004
		<u>Additions</u>	<u>Deductions</u>	
<u>Assets</u>				
Cash Accounts	<u>\$296,572</u>	<u>\$840,387</u>	<u>\$1,029,988</u>	<u>\$106,971</u>
Total Assets	<u>\$296,572</u>	<u>\$840,387</u>	<u>\$1,029,988</u>	<u>\$106,971</u>
<u>Liabilities</u>				
Due to Other Funds and Government Agencies	<u>\$296,572</u>	<u>\$840,387</u>	<u>\$1,029,988</u>	<u>\$106,971</u>
Total Liabilities	<u>\$296,572</u>	<u>\$840,387</u>	<u>\$1,029,988</u>	<u>\$106,971</u>

See accompanying notes to financial statements.

ROME TOWNSHIP
Notes To Financial Statements
March 31, 2004

(1) Summary of Significant Accounting Policies

The Township of Rome, Lenawee County, Michigan, operates under a Township Board, elected to provide services as authorized by its charter: public safety, fire, highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning and general administrative services. The criteria established for determining the various governmental organizations to be included in the reporting entity's financial statements include oversight responsibility, scope of public service, and special financing relationship. Under this criteria Rome Township has no other entities required to be included in their financial statements.

The accounting policies of Rome Township conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies.

A. Fund Accounting

The accounts of Rome Township are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government Funds

General Fund - The General Fund is the general operating fund of the Township. It is used to account for all financial resources except those required to be accounted for in another fund.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the Township in a trustee capacity or as an agency for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

B. Fixed Assets

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases

ROME TOWNSHIP
Notes To Financial Statements
March 31, 2004

(expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated.

The account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. Basis of Accounting

Basis of accounting refers to when revenues, and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds and expendable trust funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

(2) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	General Fixed Assets 4/1/03	Additions	Deletions	General Fixed Assets 3/31/04
Buildings	\$38,350	\$ ---	\$ ---	\$38,350
Furniture & Equipment	<u>36,168</u>	<u>2,048</u>	<u>---</u>	<u>38,216</u>
Totals	<u>\$74,518</u>	<u>\$2,048</u>	<u>\$ ---</u>	<u>\$76,566</u>

ROME TOWNSHIP
Notes To Financial Statements
March 31, 2004

(3) Budgets and Budgetary Accounting

The Township uses the following procedures in establishing their budget:

- A. Prior to the March meeting, the budget is discussed with public notice.
- B. During the March 2003 meeting the budget was finalized and adopted.
- C. Budgets for the Township are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
- D. The proposed budgets include expenditures as well as the methods of financing them.
- E. Budgets are adopted on the modified accrual basis of accounting.
- F. Original budgets can be amended during the year only by a majority vote of the township board.
- G. The adopted budgets are used as a management control device during the year of all budgeting funds.
- H. Budget appropriations lapse at the end of each fiscal year.
- I. The budgeted amounts shown in these general purpose financial statements are the originally adopted budgets with all amendments approved by the township board during the fiscal year.

(4) Property Taxes

Property taxes attach as an enforceable lien on the property as of January 1. Taxes are levied and payable in one installment. Township property tax revenues are recognized when levied to the extent that they result in current receivables.

(5) Investments

Investments made by the Township are summarized below. The investments that are represented by specific identifiable investment securities are classified as to credit risk by the three categories described below: Investments are stated at cost.

Category 1 Insured or registered, or securities held by the Township or its agent in the Township's name.

Category 2 Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Township's name.

Category 3 Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Township's name.

ROME TOWNSHIP
Notes To Financial Statements
March 31, 2004

	<u>1</u>	<u>Category</u> <u>2</u>	<u>3</u>	<u>Carrying</u> <u>Value</u>	<u>Market</u> <u>Value</u>
Cash in Checking	\$ 5,375	\$ ---	\$ ---	\$ 5,375	\$ 5,375
Money Market					
Investments	<u>282,123</u>	<u>---</u>	<u>---</u>	<u>282,123</u>	<u>282,123</u>
Totals	<u>\$287,498</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$287,498</u>	<u>\$287,498</u>

FDIC insured amount \$100,000.

(6) Accumulated Unpaid Benefits

Employees are not allowed to accumulate vacation and sick pay and therefore, no accumulated amount has been shown in the General Long-Term Debt Group of Accounts in accordance with Governmental Accounting Standards Boards Statement No. 16 "Accounting For Compensated Absences."

(7) Post Employment Benefits

The township provides no post employment benefits to retirees.

(8) Total – Memorandum Only

The general purpose financial statements present total columns for the year ended March 31, 2004 which aggregate the columnar statements by fund type and account group. These columns are presented only for comparative purposes and should not be construed as presenting consolidated financial information.

ROME TOWNSHIP
Statement Of Revenues, Expenditures And Changes In
Fund Balance-Budget (GAAP Basis) And Actual General Fund
Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$105,000	\$105,259	\$ 259
Intergovernmental	125,000	127,094	2,094
Charges for Services	8,000	8,981	981
Miscellaneous	10,000	14,281	4,281
Licenses and Permits	15,000	16,289	1,289
Interest Income	5,000	5,502	502
Total Revenues	<u>268,000</u>	<u>277,406</u>	<u>9,406</u>
Current Expenditures:			
General Government	95,749	88,967	6,782
Building & Electrical Inspectors	13,447	13,266	181
Public Safety	38,206	38,206	---
Highways, Streets and Bridges	160,000	157,076	2,924
Drains	1,500	1,141	359
Planning Commission	7,603	7,603	---
Zoning and Planning	4,522	4,504	18
Total Current Expenditures	<u>321,027</u>	<u>310,763</u>	<u>10,264</u>
Excess Of Revenues Over (Under) Expenditures	(53,027)	(33,357)	19,670
Fund Balances - April 1	<u>333,069</u>	<u>333,069</u>	<u>---</u>
Fund Balances - March 31	<u>\$280,042</u>	<u>\$299,712</u>	<u>\$19,670</u>

See accompanying notes to financial statements.

ROME TOWNSHIP
General Fund
Statements Of Expenditures, Compared To Budget (GAAP Basis)
Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
General Government:			
Township Board:			
Salaries	\$ 3,000	\$ 3,000	\$ ---
Fringe Benefits	230	230	---
Education	400	---	400
Insurance	9,000	8,166	834
Supplies, Printing & Postage	825	825	---
Membership, Etc.	2,900	2,885	15
Total Township Board	<u>16,355</u>	<u>15,106</u>	<u>1,249</u>
Township Supervisor:			
Salary	6,875	6,875	---
Deputy Salary	300	---	300
Fringe Benefits	526	526	---
Supplies, Printing & Postage	500	190	310
Education	600	597	3
Total Township Supervisor	<u>8,801</u>	<u>8,188</u>	<u>613</u>
Elections:			
Salaries	---	---	---
Transportation	100	56	44
Publishing, Supplies, Etc.	160	160	---
Total Elections	<u>260</u>	<u>216</u>	<u>44</u>
Professional Fees:	<u>7,500</u>	<u>6,522</u>	<u>978</u>
Township Clerk:			
Salaries	8,750	8,750	---
Deputy - Salary	375	375	---
Fringe Benefits	698	698	---
Education	225	225	---
Supplies, Printing & Postage, Etc.	1,090	1,090	---
Total Township Clerk	<u>11,138</u>	<u>11,138</u>	<u>---</u>
Board of Review:			
Salaries	1,440	1,440	---
Fringe Benefits	110	110	---
Education	500	408	92
Supplies, Printing & Postage	125	116	9
Total Board of Review	<u>2,175</u>	<u>2,074</u>	<u>101</u>

ROME TOWNSHIP
General Fund
Statements Of Expenditures, Compared To Budget (GAAP Basis)
Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
Township Treasurer:			
Salary	\$ 8,750	\$ 8,750	\$ ---
Deputy - Salary	375	375	---
Fringe Benefits	698	698	---
Supplies, Printing & Postage	<u>2,400</u>	<u>2,391</u>	<u>9</u>
Total Township Treasurer:	<u>12,223</u>	<u>12,214</u>	<u>9</u>
 Assessor:			
Salary	10,000	10,000	---
Fringe Benefits	765	765	---
Supplies, Printing & Postage	<u>900</u>	<u>900</u>	<u>---</u>
Total Township Assessor	<u>11,665</u>	<u>11,665</u>	<u>---</u>
 Township Hall:			
Repairs & Maintenance	832	832	---
Utilities	1,500	1,471	29
Capital Outlay/ Site Development	<u>15,000</u>	<u>12,048</u>	<u>2,952</u>
Total Township Hall	<u>17,332</u>	<u>14,351</u>	<u>2,981</u>
 Cemetery:			
Repairs & Maintenance	6,000	5,375	625
Supplies	500	318	182
Appropriation	<u>1,800</u>	<u>1,800</u>	<u>---</u>
Total Cemetery	<u>8,300</u>	<u>7,493</u>	<u>807</u>
 Total General Government	<u>95,749</u>	<u>88,967</u>	<u>6,782</u>
 <u>Building & Electrical</u>			
<u>Inspectors:</u>			
Salary	11,000	10,823	177
Fringe Benefits	534	534	---
Transportation	1,294	1,294	---
Education	544	544	---
Supplies	<u>75</u>	<u>71</u>	<u>4</u>
Total Building & Electrical Inspectors	<u>13,447</u>	<u>13,266</u>	<u>181</u>
 <u>Public Safety:</u>			
Fire-Contracted Services	<u>38,206</u>	<u>38,206</u>	<u>---</u>
Total Public Safety	<u>38,206</u>	<u>38,206</u>	<u>---</u>

ROME TOWNSHIP
General Fund
Statement Of Expenditures, Compared To Budget (GAAP Basis)
Year Ended March 31, 2004

	<u>Budget</u>	<u>Actual Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Highways, Streets & Bridges:</u>			
Repairs and Maintenance	<u>160,000</u>	<u>157,076</u>	<u>2,924</u>
Total Highways, Streets & Bridges	<u>160,000</u>	<u>157,076</u>	<u>2,924</u>
<u>Drains:</u>			
Repairs and Maintenance	<u>1,500</u>	<u>1,141</u>	<u>359</u>
Total Drains	<u>1,500</u>	<u>1,141</u>	<u>359</u>
<u>Zoning:</u>			
Salaries	1,990	1,990	---
Fringe Benefits	152	152	---
Miscellaneous	2,080	2,080	---
Supplies, Printing & Postage	<u>300</u>	<u>282</u>	<u>18</u>
Total Zoning	<u>4,522</u>	<u>4,504</u>	<u>18</u>
<u>Planning Commission:</u>			
Salaries	3,050	3,050	---
Fringe Benefits	210	210	---
Supplies, Printing & Postage	1,042	1,042	---
Legal Fees	<u>3,301</u>	<u>3,301</u>	<u>---</u>
Total Planning Commission	<u>7,603</u>	<u>7,603</u>	<u>---</u>
Total Expenditures	<u>\$321,027</u>	<u>\$310,763</u>	<u>\$10,264</u>

See accompanying notes to financial statements.

**ROME TOWNSHIP
Trust And Agency Funds
Balance Sheet
Year Ended March 31, 2004**

	<u>Current Tax Collection</u>
Assets:	
Cash - Checking Account	\$ 1,049
Cash - Tax Fund MMI Plus	<u>105,922</u>
Total Assets	<u><u>\$106,971</u></u>
Liabilities And Fund Balance:	
Due to General Fund	<u>\$106,971</u>
Total Liabilities	<u>106,971</u>
Fund Equity	<u>---</u>
Total Liabilities and Fund Equity	<u><u>\$106,971</u></u>

See accompanying notes to financial statements.

ROME TOWNSHIP
Trust And Agency Fund
Combining Statement Of Revenues And Expenditures
And Changes In Fund Balance
Year Ended March 31, 2004

	<u>Current Tax Collection</u>
Revenues:	
Tax Collections	\$837,010
Interest	1,413
Other	<u>1,964</u>
Total Revenues	<u>840,387</u>
Expenditures:	
Lenawee County	211,530
Lenawee Aging	20,646
Lenawee Medical Care	8,125
Lenawee Intermediate Schools	309,421
Adrian Public Schools	199
Onsted Public Schools	168,802
Lenawee Drains	9,861
Other	1,964
Rome Township	<u>109,839</u>
Total Expenditures	<u>840,387</u>
Excess Revenues Over Expenditures	---
Fund Balance, Beginning Of Year	<u>---</u>
Fund Balance, End Of Year	<u>\$ ---</u>

See accompanying notes to financial statements.

ROME TOWNSHIP
Statement Of Changes In Assets And Liabilities
Agency Fund
Year Ended March 31, 2004

	Balance April 1, 2003	<u>Current Tax Collection</u>		Balance March 31, 2004
		<u>Additions</u>	<u>Deletions</u>	
Assets:				
Cash Accounts	<u>\$296,572</u>	<u>\$840,387</u>	<u>\$1,029,988</u>	<u>\$106,971</u>
Liabilities:				
Due to General Fund	\$100,714	\$109,839	\$ 103,582	\$106,971
Due to Lenawee County	---	211,530	211,530	---
Due to Lenawee ISD	112,463	309,421	421,884	---
Due to Adrian Schools	224	199	423	---
Due to Onsted Schools	80,393	168,802	249,195	---
Due to Lenawee Medical Care	---	8,125	8,125	---
Due to Drains	2,778	9,861	12,639	---
Due to Lenawee Aging	---	20,646	20,646	---
Refund/Overpayments	---	1,964	1,964	---
	<u>\$296,572</u>	<u>\$840,387</u>	<u>\$1,029,988</u>	<u>\$106,971</u>

See accompanying notes to financial statements.

ROME TOWNSHIP
Schedule Of General Fixed Assets
Year Ended March 31, 2004

	March 31, 2004
General Fixed Assets:	
Buildings	\$38,350
Furniture and Equipment	<u>38,216</u>
Total General Fixed Assets	<u><u>\$76,566</u></u>
Investments In General Fixed Assets:	
General Fund Revenues	<u><u>\$76,566</u></u>

See accompanying notes to financial statements.

ROME TOWNSHIP
Schedule Of Changes In General Fixed Assets
By Function And Activity
Year Ended March 31, 2004

	General Fixed Assets <u>4/1/03</u>	<u>Additions</u>	<u>Deletions</u>	General Fixed Assets <u>3/31/04</u>
<u>General Fixed Assets:</u>				
Building	\$38,350	\$ ---	\$ ---	\$38,350
Equipment, Etc.	<u>36,168</u>	<u>2,048</u>	<u>---</u>	<u>38,216</u>
Total General Fixed Assets	<u>\$74,518</u>	<u>\$2,048</u>	<u>\$ ---</u>	<u>\$76,566</u>

See accompanying notes to financial statements.

PHILIP R. RUBLEY

- Certified Public Accountant -

133 W. MAIN STREET • MORENCI, MI 49256

PHONE 517/458-2274

FAX 517/458-6353

PHILIP R. RUBLEY, C.P.A.

MEMBERS OF
AMERICAN INSTITUTE OF C.P.A.'s
& THE MICHIGAN ASSOCIATION OF C.P.A.'s

October 16, 2004

**Township Board
Rome Township
Lenawee County, Michigan**

We have examined the combined financial statements of the Rome Township, Lenawee County, Michigan and the combining, individual fund and account group financial statements of the Township as of and for the year ended March 31, 2004, and have issued our report thereon dated October 16, 2004. As a part of our examination, we made a study and evaluation of the Township's system of internal accounting control to the extent we considered necessary to evaluate the system as required by auditing standards generally accepted in the United States of America. Under these standards, the purposes of such evaluation are to establish a basis for reliance on the system of internal accounting control in determining the nature, timing and extent of other auditing procedures that are necessary for expressing an opinion on the financial statements and to assist the auditor in planning and performing his examination of the financial statements.

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the evaluation of these factors necessarily requires estimates and judgments by management.

There are inherent limitations that should be recognized in considering the potential effectiveness of any system of internal accounting control. In the performance of most control procedures, errors can result from misunderstanding of instructions, mistakes of judgment, carelessness, or other personal factors. Control procedures whose effectiveness depends upon segregation of duties can be circumvented by collusion. Similarly, control procedures can be circumvented intentionally by management either with respect to the execution and recording of transactions or with respect to the estimates and judgments required in the preparation of financial statements. Further, projection of any evaluation of internal accounting control to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions and that the degree of compliance with the procedures may deteriorate.

Our examination of the financial statements made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Township's system of internal accounting control for the year ended March 31, 2003, that was made for the purpose set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data.

Such study and evaluation disclosed the following conditions, which we consider to be weaknesses for which corrective action by the management of Rome Township as recommended:

1. UNIFORM CHART OF ACCOUNTS

The township must maintain a Chart of Accounts in accordance with the Uniform Chart of Accounts. This will allow proper accumulation of expenditures and revenues. The Chart of Accounts has changed for GASB 34 effective for year April 1, 2004.

2. **GOVERNMENTAL ACCOUNTING STANDARD BOARD STATEMENT NO. 34 - BASIC FINANCIAL STATEMENT - AND MANAGEMENT'S DISCUSSION AND ANALYSIS**

Effective June 15, 2001 the Governmental Accounting Standard Board pronouncement 34 was set in motion. This changes many items in the reporting model. There are six major differences between the current model and statement 34.

1. Key definitions for governmental reporting. The objective here is to enhance the understandability and usefulness of the general-purpose external financial reports to users. This will require government - wide financial statements along with fund financial statements.
2. Letter of Transmittal and Management Discussion and Analysis. The objective is for management to outline basic information, provide subjective analysis of projects and initiatives, describe service efforts and accomplishments and include descriptions of reporting requirements and acknowledgments.
3. Combined financial statements and government - wide reporting.
4. Infrastructure accounting and reporting.
5. Measurement focus and basis of accounting. The objective - full accrual accounting vs. modified accrual basis for government - wide statements. Fund statements will still be on accrual and modified accrual.
6. Revisions to Fund Financial Statements.

Effective date for Rome Township will be years beginning after June 15, 2004. It will be necessary to start by the end of this fiscal year March 31, 2005.

The above mentioned conditions were considered in determining the nature, timing, and extent of audit tests to be applied to our October 16, 2004 financial statements.

If we can be of any further assistance, please do not hesitate in contacting us.

Sincerely yours,


Philip R. Rubley
Certified Public Accountant